

I CLAIM:

1. A method of diversifying risk in privately-held stock, comprising steps of:

accepting from a privately-held stock donor a donation to a trust of the privately-held stock, the privately-held stock conveying an ownership interest to the trust in a particular privately-held company;

issuing trust units to the privately-held stock donor in proportion to a value of the privately-held stock donated to the trust;

managing the trust to earn income; and

distributing the income to holders of the trust units in a direct proportion to the number of trust units held by each holder of the trust units.

2. The method as claimed in claim 1 further comprising a step of accepting a cash donation to the trust from a cash donor and issuing trust units to the cash donor in proportion of an amount of cash donated to the trust.
3. The method as claimed in claim 1 further comprising a step of paying an annual management fee to managers of the trust before distributing the income to holders of the trust units.
4. The method as claimed in claim 1 wherein the step of managing the trust further comprises steps of:

evaluating private companies to determine whether any one of the private companies is a company in which a manager of the trust is willing to accept a donation of stock to convey an ownership interest in the company to the trust; and

advising owners of privately-held stock in the companies in which the manager is willing to accept the donation that the trust is willing to accept donations of the privately-held stock in exchange for trust units.

5. The method as claimed in claim 4 wherein the step of evaluating comprises a step of searching public information sources for information about companies that have recently received significant venture capital funding.
6. The method as claimed in claim 5 further comprising steps of:
making a form available on the worldwide web page for accepting stock donations to the fund from a donor of the privately-held stock.
7. The method as claimed in claim 6 further comprising steps of provisionally accepting donations of privately-held stock to the fund by permitting the donor to complete the form to submit the donation of privately-held stock to the fund.
8. The method as claimed in claim 7 further comprising a step of provisionally issuing trust units to the

donor of the privately-held stock on verification that the form was correctly completed.

9. The method as claimed in claim 8 further comprising a steps of:

reviewing the provisional acceptance of the donation of privately-held stock to verify that the donor is a valid donor owning the stock in the privately-held company;

waiting for receipt of privately-held stock certificates transferring an ownership interest in the privately-held company to the trust; and

on receipt of the privately-held stock certificates, issuing a trust unit certificate to the donor of the privately-held stock to replace the provisionally issued trust units.

10. The method as claimed in claim 9 further comprising a step of assigning an issue date to the trust unit certificate of the date on which the provisional donation was accepted, so that the donor of the privately-held stock earns income from the trust as of the issue date.

11. The method as claimed in claim 1 wherein the step of managing the trust further comprises steps of:

receiving from a potential donor an offer to donate to the trust privately-held stock representing an ownership interest in a private company;

evaluating the private company to determine whether the private company is a company in which a

manager of the trust is willing to accept a donation of the privately-held stock to convey an ownership interest in the company to the trust; and

advising the owner of the privately-held stock whether the manager is willing to accept the donation of the privately-held stock in exchange for trust units.

12. The method as claimed in claim 11 wherein the step of evaluating comprises steps of:

examining publicly available information sources to determine whether the private company has recently acquired venture capital funding; and

determining whether the amount of venture capital funding meets a predetermined criteria.

13. The method as claimed in claim 1 wherein the step of managing the trust further comprises steps of:

monitoring the companies in which the trust has an ownership interest to determine when a one of the companies is a subject of a takeover bid by another company; and

selling the privately-held stock to the other company if an offered price for the privately-held stock is deemed appropriate by a manager of the trust, in order to generate income for the trust.

14. The method as claimed in claim 1 wherein the step of managing the trust further comprises steps of:

using cash available in the trust to purchase public stock options that cannot be exercised by a holder of the public stock options;

exercising the public stock options to purchase the public stock at a time deemed appropriate by a manager of the trust; and

selling the public stock at a time deemed appropriate by a manager of the trust in order to generate income for the trust.

15. The method as claimed in claim 1 wherein the step of managing the trust further comprises steps of:

monitoring the companies in which the trust has an ownership interest to determine when a one of the companies performs an initial public offering;

indicating that the privately-held stock has been converted to public stock in the company; and

selling the public stock at an appropriate time in order to generate income for the trust.

16. The method as claimed in claim 1 wherein the step of managing the trust further comprises a step of using cash from the trust to provide bridge financing to a company that is preparing for an initial public offering, in order to generate income for the trust.

17. The method as claimed in claim 16 wherein the bridge financing is provided to a company in which the trust owns an interest.

18. The method as claimed in claim 1 further comprising a step of converting the trust into a publicly traded closed-end mutual fund.
19. A system for managing a trust to diversify risk in privately-held stock, comprising:
 - a memory for storing contact information related to holders of units of the trust, and the number of trust units held by each holder of the units;
 - a memory for storing information related to each company in which the trust holds an ownership interest, including information defining the privately-held stock related to the company that is held in the trust;
 - a memory for storing information related to cash and other assets owned by the trust;
 - a processor for executing program instructions;
 - program instructions for permitting the memories to be written, read and rewritten by the processor to enable the contact information, company information, stock information, cash and other asset information to be retrieved, inspected and updated, as required;
 - program instructions for accepting input indicating a donation of private shares conveying an ownership interest in a private company to the trust, the program instructions further permitting an input of information related to a donor of the private shares, and of a value of the private shares;

program instructions for computing a number of units of the trust to be issued to the donor of the private shares to the trust in proportion to the value of the private shares input; and

program instructions for computing a share of income of the trust to be distributed to each holder of units in the trust in direct relation to a number of units held by the holder of units.

20. The system as claimed in claim 19 further comprising:

program instructions for accepting input indicating a contribution of cash to the trust, the program instructions further permitting an input of information related to a donor of the cash to the trust; and

program instructions for computing a number of units of the trust to be issued to the donor of the cash based on a value of the cash donated to the trust.

21. The system as claimed in claim 19 further comprising:

program instructions for accepting input indicating a conversion of privately-held stock held by the trust to public stock held by the trust; and

program instructions for accepting input indicating a value of the public stock held by the trust.

22. The system as claimed in claim 21 further comprising:

program instructions for accepting and storing an escrow date indicating a predetermined time

period during which the public stock cannot be traded; and

program instructions for displaying a reminder to a manager of the trust when the predetermined time period has expired, to permit the manager to sell at least a proportion of the public stock to earn income for the trust.

23. The system as claimed in claim 19 further comprising:
program instructions for accepting input indicating a sale of the public stock held by the trust;
program instructions for accepting input indicating a value of the public stock sold from the trust;
and
program instructions for computing income to the trust based on the value of the stock sold from the trust.
24. The system as claimed in claim 23 further comprising
program instructions for computing income distributions to holders of units of the trust.
25. The system as claimed in claim 19 further comprising
a worldwide web server having at least one publicly available worldwide web page for displaying information describing the trust and displaying public information about at least one privately-held company from which a manager of the trust is willing to accept a donation of privately-held stock.

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26. The system as claimed in claim 25 further comprising a worldwide web form available on the at least one publicly available worldwide web page that permits a donor of the privately-held stock to provisionally donate the privately-held stock to the trust.
27. The system as claimed in claim 26 further comprising program instructions for provisionally issuing trust units to the donor of the privately-held trust when the donor provisionally donates the privately-held stock by correctly completing the worldwide web form.
28. The system as claimed in claim 27 further comprising program instructions for reporting to a manager of the trust that the privately-held stock has been provisionally donated to the trust, and for further informing the manager of the number of trust units that have been provisionally issued to the donor of the privately-held stock.
29. The system as claimed in claim 27 further comprising program instructions for sending a request for logging the provisional donation, the provisional issue of trust units and information identifying the private company and the donor of the privately-held stock to the processor to permit the memories to be updated.
30. The system as claimed in claim 25 wherein the worldwide web server further comprises a publicly available worldwide web page that enables input of information related to a privately-held company to

permit a manager of the trust to determine whether a donation of privately-held stock in the company will be accepted by the trust.

31. The system as claimed in claim 30 wherein the information may be input as a universal resource locator (URL) for directing the manager to a source of public information related to the privately-held company.
32. The system as claimed in claim 30 wherein the worldwide web page permits the user to invoke a secure connection to the worldwide web server to permit the user to input private information related to the privately-held company, the private information being made available only to managers of the trust.
33. The system as claimed in claim 32 wherein the private information relates to ratchet clauses in a venture capital financing agreement entered into by the privately-held company.
34. The system as claimed in claim 32 wherein the information relates to a private share discount percentage that the private donor is willing to accept in lieu adherence to ratchet clauses in a venture capital financing agreement entered into by the privately-held company.
35. The system as claimed in claim 32 wherein information provided through the secure connection is protected by security codes embedded by a processor on the

worldwide web server so that the information can only be examined by managers of the trust.

36. A method of diversifying risk in privately-held stock, comprising steps of:

accepting the privately-held stock into a private trust, the privately-held stock being donated to the private trust by a donor, so that the private trust acquires the privately-held stock without charge;

issuing trust units to the donor of the privately-held stock in proportion to a value of the privately-held stock donated to the private trust;

managing the private trust to earn income;

paying management fees to managers of the private trust; and

distributing remaining income to holders of the trust units in a direct proportion to the number of trust units held by each holder of the trust units.

37. A method as claimed in claim 36 wherein the step of managing the trust further comprises a steps of:

determining when privately-held stock in the trust is converted to public stock during an initial public offering by the company;

recording an escrow period during which the public stock cannot be sold by the private trust;

noting when the escrow period has expired; and

selling the public shares at a time deemed appropriate by the managers of the private trust to earn income for the trust.

38. A method as claimed in claim 36 wherein the step of managing the trust further comprises steps of using cash reserves in the trust to perform any one of:
- buying public stock options that cannot be exercised by an owner of the options;
 - buying public stock at a discount; and
 - providing bridge financing to private companies preparing for an initial public offering.
39. A system for managing a private trust to diversify risk in privately-held stock, comprising:
- a trust management server for facilitating management of the private trust by at least one manager, the trust management server permitting the at least one manager to determine the number of privately-held shares owned by the private trust, a value of the shares, and a value of other assets owned by the private trust;
 - at least one trust management workstation connected to the trust management server; and
 - a trust web server to permit potential donors to the private trust to learn about the private trust, and to post information about a private company to permit at least manager of the private trust to determine whether the private trust will

accept donations of privately-held stock in the company.

40. A system as claimed in claim 39 wherein the trust web server further comprises forms for permitting the potential donor to post both private and public information about the company.
41. A system as claimed in claim 40 wherein the trust web server further comprises a secure web form for permitting the private information to be submitted, and security codes are embedded in the private information to ensure that only trust managers can view the private information.
42. A system as claimed in claim 39 wherein the trust web server further comprises a provisional donation web form to permit a potential donor of privately-held stock to provisionally donate the privately-held stock, the provisional donation web form permitting the potential donor to specify the company in which the privately-held shares conveys an ownership interest, personal information, the number of shares to be donated and a value of the shares.
43. A system as claimed in claim 42 wherein the provisional donation web form further comprises an option to permit the potential donor to specify whether ratchet clauses in a venture capital contract signed by the private company will be complied with in respect of privately-held shares donated to the private trust.

44. A system as claimed in claim 43 wherein the provisional donation web form further comprises an option to permit the potential donor to specify a discount rate for the privately-held stock, rather than elect the option of complying with the ratchet clauses.
45. A system as claimed in claim 39 wherein the trust management server further comprises program instructions for tracking cash and other assets of the private trust.